Message Text

LIMITED OFFICIAL USE PAGE 01 NAIROB 05037 180816Z 20 ACTION EB-07 INFO OCT-01 AF-08 ARA-06 EA-07 NEA-10 IO-13 ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGR-05 AID-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CIEP-01 CEA-01 PA-01 PRS-01 EUR-12 /112 W ----- 061275 R 180720Z MAY 76 FM AMEMBASSY NAIROBI TO SECSTATE WASHDC 9786 INFO ALL OECD CAPITALS 0011 USMISSION USUN NEW YORK AMEMBASSY NEW DELHI

AMEMBASSY MANILA

AMEMBASSY ALGIERS

AMEMBASSY CARACAS

AMEMBASSY BRASILIA

AMEMBASSY ISLAMABAD

AMEMBASSY KINSHASA

AMEMBASSY MEXICO CITY

AMEMBASSY ACCRA

AMEMBASSY ABIDJAN

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UNCTAD 043

E.O. 11652: N/A TAGS: UNCTAD

SUBJECT: UNCTAD IV: G-77 AND GROUP D HOLD LENGTHY DEBATE ON EAST/SOUTH TRADE AND COOPERATION

1. SUMMARY. MORNING AND AFTERNOON SESSIONS OF NEGOTIATING GROUP V ON MAY 17 WERE DEVOTED TO EAST/SOUTH TRADE, AS G-77 LIMITED OFFICIAL USE

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AND GROUP D ENGAGED IN LENGTHY DEBATE OVER ISSUES RAISED

IN SECTION 8 OF MANILA DOCUMENT AND GROUP D WORKING PAPER. SEPARATE DRAFTING GROUPS WERE ESTABLISHED FOR EAST/SOUTH TRADE AND INSTITUTIONAL ISSUES, AND DRAFTING GROUP ON INSTITUTIONAL ISSUES BEGAN WORK DURING AFTERNOON OF MAY 17. DRAFTING GROUP ON EAST/SOUTH TRADE IS EXPECTED TO START WORK ON MAY 18 BY CONSIDERING A DRAFT RESOLUTION TO BE SUBMITTED BY GROUP D. END SUMMARY.

- 2. IN MORNING SESSION OF NEGOTIATING GROUP V, MAY 17, GROUP OF 77 PRESENTED ITS QUOTE PRELIMINARY REACTION UNQUOTE TO WORKING PAPER SUBMITTED BY GROUP D ON EAST/SOUTH TRADE. WHILE NOTING THAT THE GROUP D DOCUMENT CONTAINED QUOTE GOOD WILL, UNQUOTE THE G-77 SPOKESMAN EXPRESSED REGRET THAT GROUP D HAS NOT REACTED TO MAJOR QUESTIONS RAISED IN MANILA DOCUMENT, PARTICULARLY PARAGRAPHS 8, 9, 10, AND 11 OF SECTION 8 WHICH HE IDENTIFIED AS OF SPECIAL IMPORTANCE TO LDCS.
- 3. WITH THE EXCEPTION OF SHORT STATEMENTS MADE BY GROUP B AND CHINA. THE REST OF THE DAY'S DELIBERATIONS IN NEGOTIATING GROUP V CONSISTED OF A DEBATE BETWEEN THE G-77 AND GROUP D OVAR POINTS RAISED IN THE MANILA DOCUMENT AND THE WORKING PAPER SUBMITTED BY GROUP D. IN RESPONSE TO G-77 CRITICISMS, GROUP D STATED THAT TRADE BETWEEN ITS MEMBER COUNTRIES AND ALL OTHER STATES IS BASED ON INDIVIDUAL TRADE OR PAYMENTS AGREE-MENTS; THEREFORE, THERE CAN BE NO GENERAL REGULATIONS NEGOTIATED IN UNCTAD CONCERNING CONVERTIBILITY OF SURPLUS ROUBLES HELD BY LDCS, OR EXEMPTION OF LDCS FROM RECIPROCAL PURCHASES OF GROUP D EXPORTS, SINCE SUCH ARRAGEMENTS MUST BE HANDLED BY AGREEMENTS BETWEEN THE INDIVIDUAL COUNTRIES CONCERNED. FLATLY REJECTING THE G-77 REQUEST THAT EAST EUROPEAN SOCIALIST COUNTRIES INCREAST THEIR FINANCIAL AND TECHNICAL ASSISTANCE TO LDCS IN AN EFFORT TO ACHIEVE THE ONE PERCENT OF GNP. AID TARGET, GROUP D COUNTRIES SAID THEY SHOULD NOT BEAR THE RESPONSIBILITY FOR PROVIDING SUCH ASSISTANCE. SINCE THEY DID NOT ENGAGE IN EXPLOITATION OF LDCS DURING THE COLONIAL PERIOD.

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4. IN RESPONSE TO GROUP D ARGUMENTATION, MOROCCAN DELEGATE EXPRESSED DISAPPOINTMENT THAT GROUP D WAS OFFERING AT UNCTAD IV NOTHING BETTER THAN ITS PREVIOUS POSITION. HE ALSO POINTED OUT THAT JUST BECAUSE THEY WERE NOT COLONIAL POWERS IS NO VALID REASON FOR GROUP D COUNTRIES TO REJECT THE ONE PERCENT OF GNP AID TARGET CONTAINED IN THE IDS FOR THE SECOND DEVELOPMENT DECADE.

5. AFTER THE DEBATE ENDED INCONCLUSIVELY, IT WAS ANNOUNCED THAT THE GROUP D COUNTRIES HAVA DRAFTED A RESOLUTION ON EAST/SOUTH TRADE, WHICH WOULD BE SUBMITTED THE FOLLOWING DAY. IT WAS AGREED THAT THE GROUP D RESOLUTION WOULD BE CONSIDERED IN THE DRAFTING GROUP ON EAST/SOUTH TRADE, WHICH WILL HOLD ITS FIRST SESSION ON MAY 18. (ACTIVITIES OF A SEPARATE DRAFTING GROUP ON INSTITUTIONAL ISSUES. WHICH FIRST MET MAY 17, TO BE REPORTED IN SEPTEL.) BOTH GROUPS WERE SET UP WITH OPEN-ENDED MEMBERSHIPS TO PREPARE DRAFT TEXTS AND/OR RESOLUTIONS FOR SUBMISSION TO NEGOTIATING GROUPS ON AD REFERENDUM BASIS. DRAFTING GROUP ON EAST/SOUTH TRADE IS TO BE CHAIRED BY THE CHAIRMAN OF THE NEGOTIATING GROUP (PRAVDA OF CZECHOSLOVAKIA), WHILE DRAFTING GROUP ON INSTITUTIONAL ISSUES IS TO BE CHAIRED BY THE VICE CHAIRMAN OF THE NEGOTIATING GROUP (AMBASSADOR KANAZAWA OF JAPAN).

6. IN AN EFFORT TO AVOID BECOMING INVOLVED IN WHAT WAS ESSENTIALLY A DEBATE BETWEEN THE G-77 AND GROUP D, THE GROUP B SPOKESMAN (GEORG MAUTNER-MARKHOF OF AUSTRIA) LIMITED HIS REMARKS ON MAY 17 TO TWO SHORT STATEMENTS IN WHICH HE EXPRESSED GROUP B'S DESIRE FOR CONCRETE ACTION ON THIS AGENDA ITEM, OUR OPPOSITION TO THE INCLUSION OF POLITICAL ISSUES IN DELIBERATIONS ON EAST/SOUTH TRADE, AND OUR CONVICTION THAT THE APPROPRIATE FORUM FOR DEALING WITH EAST/WEST TRADE IS THE ECE, RATHER THAN UNCTAD.

7. THE CHINESE DELEGATE MADE A BRIEF STATEMENT EXPRESSING OPPOSITION TO THE GROUP D PAPER AND PROMISING TO RESPOND LATER TO THE GROUP B STATEMENT. LIMITED OFFICIAL USE

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IN PARTICULAR, THE CHINESE REJECTED THE GROUP D ARGUMENT THAT DEVELOPMENT OF EAST/WEST TRADE WOULD FAVORABLY AFFECT EAST/SOUTH TRADE. CHINA ALSO REJECTED GROUP D'S CALL FOR THE UNIVERSAL APPLICATION OF THE HELSINKI PRINCIPLES, CLAIMING THAT THESE PRINCIPLES WERE AGREED TO BY ONLY A FEW COUNTRIES AND HAVE QUOTE NOTHING TO DO WITH UNCTAD UNQUOTE. MARSHALL

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